# GOVERNMENT OF INDIA
# URBAN DEVELOPMENT AND POVERTY ALLEVATION
# LOK SABHA

UNSTARRED QUESTION NO:5418
ANSWERED ON:30.04.2002
URBAN REFORMS INCENTIVE FUND
GOWDAR MALLIKARJUNAPPA;VINAY KUMAR SORAKE

**Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVATION be pleased to state:**

(a): whether the Planning Commission has suggested for linking of Central assistance to the States for urban development to their actual performance in producing results through effective implementation of reforms;

(b): if so, whether the allocation for Urban Reforms Incentive Fund that was announced in the Union Budget to providereform linked assistance to the States has been welcomed by the States;

(c): if so, the details thereof;

(d): whether the disbursement of funds under the Urban Reform Incentive Fund is likely subject to revision of outdated municipal laws and regulations and creation of a Land Regulatory Authority;

(e): if so, the details thereof;

(f): whether the Union Government have taken any decision on important issues regarding the degree of flexibility that is likely to be provided to States on the usage of the funds;

(g): if so, whether the funds are likely to be disbursed as loans or grants; and

(h): if so, the details thereof?

## Answer

MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT & POVERTY ALLEVIATION ( SHRI BAN DATTATREYA )

(a)to(c): In his Budget Speech for 2002-2003, the Finance Minister has announced the setting up of an Urban Reforms Incentive Fund (URIF) with an initial outlay of Rs.500 crore to provide reform linked assistance to States. Further details are being worked out.

(d)&(e): The fund will seek to incentivise reforms in the following areas:-

(i) Reform of Rent Control Laws and repeal of Urban Land Ceiling Acts.

(ii) Rationalisation of high stamp duty regimes.

(iii) Revision of bye-laws to streamline the approval process for construction of buildings, development of sites, etc.

(iv) Revision of municipal laws in line with model legislation prepared by the Ministry of Urban Development & Poverty Alleviation.

(v) Simplification of legal and procedural framework for conversion of agricultural land for non-agricultural purposes.

(vi) Levy of realistic user charges and resource mobilization by urban local bodies.

(vii) Initiation of public private partnership in the provision of civic services.

(f)to(h): The detailed modalities are yet to be finalized.